

# City of Charleston Department of Housing and Community Development (DHCD) Program Information



9 Dewey Street (Before)  
Rehabilitation Project



9 Dewey Street (After)  
Rehabilitation Project



Longborough Condominiums  
28 Sold as of December 2009

Director  
Geona Shaw Johnson

## Table of Contents

Introduction~Page 2

Funding Programs Overview Page~3

Housing and Community Development Programs:

Homeownership Initiative~ Page 4

Employer Assisted Housing~ Page 5

Enston Home Funds~ Page 6

Subrecipient Funding~ Page 6

Housing Rehabilitation Program~ Page 7

Lead-based Paint Hazard Control Program~ Page 8

Renewal Community~Page9

Department Organizational Chart~ Page10

## **Introduction**

The mission of the Department of Housing and Community Development (DHCD) is to create, facilitate, and implement activities and programs which stimulate community and economic development, expand the supply of affordable housing and stimulate the construction and rehabilitation of housing for persons of very low, low and moderate incomes in Charleston's neighborhoods.

The City of Charleston has received funds through the U.S. Department of Housing and Urban Development (HUD) for 35 years as an entitlement city in the Community Development Block Grant (CDBG) Program. The City also receives allocations of the HOME Investment Partnerships Program and the Housing Opportunities for Persons with AIDS (HOPWA) Programs. In 2009, the City of Charleston obtained an award through the American Recovery and Reinvestment Act of \$3m to support the Lead-based Paint Hazard Control (LBHC) Program. These funds are combined with several local funding sources and private funds to support housing and community development initiatives. The funds awarded to the Department benefit schools, community centers, homeowners, local business, non profit organizations along with a host of other persons and organizations in the community.

The City continues to commit funds in support of the Renewal Community, which was designated as a Neighborhood Revitalization Strategy Area (NRSA) pursuant to the Consolidated Plan submitted to HUD in 2005. A large percentage of the CDBG and HOME entitlement funds received have been utilized for projects either located in the Renewal Community or those that are expected to benefit primarily Renewal Community residents.

Affordable housing remains one of the most pressing issues facing our community, as documented in the City's 2005-2010 Consolidated Plan and by a 2007 Housing Assessment completed by the Chamber of Commerce and the Lowcountry Housing Trust. The City's DHCD awards subrecipients funding to aid in the mission to provide affordable housing. Subrecipients funded by the City of Charleston also pursue funding from other local jurisdictions, foundations and banks to make their housing developments a reality. Additional strategies are being employed to ensure an expansion of partnerships with organizations that serve City of Charleston residents.

The City continues to implement its Homeownership Initiative (HI), which is funded through Special Economic Development Initiative (EDI) funds, Parcel A funds and several other funding sources. In the coming year, additional HI homes will be funded with CDBG funds, and the City will act to acquire additional properties, including vacant lots and those with existing structures, for development under the HI.

The City has and will continue to assist in the creation of ownership and rental residences, as well as providing downpayment assistance to purchase homes in private developments and assisting persons transitioning from homelessness to permanent housing. Households impacted by HIV/AIDS are also provided rental, mortgage, and/or utility assistance. The City has and will also continue to assist homeowners with either substantial rehabilitation or roof replacement. These efforts complement the work performed under the City's Lead-based Paint Hazard Control grant, which focuses on eliminating lead-based paint hazards in homes throughout the City. Program brochures are available on most programs described herein.

## **Funding Programs Overview**

**Community Development Block Grant (CDBG)** program provides annual grants on a formula basis to local government and States to provide decent housing, suitable living environments and economic opportunities.

**Enston Homes Fund** was established by the Enston Home Endowment using funds generated from the sale of the William Enston Home tract to the Housing Authority of the City of Charleston. Each year, the interest generated by the Fund's investments is used to fund housing or related activities that benefit elderly individuals and their families.

**Home Investment Partnerships Program (HOME)** provides formula grants to States and localities usually in partnership with nonprofit organizations to either:

- Build, buy, and/or rehabilitate houses for homeownership or rental developments,
- Award downpayment assistance, or
- Provide direct rental assistance

**Housing Opportunities for Persons with Aids (HOPWA)** funding provides housing assistance and related supportive services to persons with HIV/AIDS. Funds may be used for a wide range of housing, social and health care services, program planning, and development costs.

**Lead-based Paint Hazard Control (LPHC)** provides grant funds to homeowners and rental property owners with children six years of age and under to reduce lead paint hazards in their homes.

**Parcel A** funds are the proceeds of the sales of several large tracts of waterfront property that the City of Charleston acquired and sold to developers. These funds have been used to support the development of affordable housing in the City.

**Special Economic Development Initiative (EDI) Funds** a HUD funded program that allocates funds for downpayment assistance, closing costs, and subsidies for houses developed under the City's Homeownership Initiative.

# Housing and Community Development Programs

## Homeownership Initiative Program

The City of Charleston's Homeownership Initiative was adopted by the City of Charleston City Council in 2002. It was designed to create affordable housing opportunities for low- and moderate-income families and stimulate revitalization in five targeted neighborhoods – Cannonborough, Elliottborough, the West Side, H, F, and I Street, and the Eastside. In 2006 the City of Charleston extended the boundaries of the HI to include Rosemont. The program also aims to preserve the affordability and character of the neighborhoods on the Peninsula.

The Homeownership Initiative is a first-time home purchase program that assists individuals and families earning up to 120 percent of the Area Median Income (AMI) achieve the dream of homeownership (AMI is \$60,300 based on a household of four). The Initiative is a partnership between the City and six nonprofit organizations that provide prospective homebuyers with credit and budget counseling, homebuyer education, downpayment assistance, and post-purchase counseling.

The City takes the lead in acquiring vacant land or dilapidated properties. These properties are then transferred to the nonprofit developers for construction of new homes or rehabilitation of existing structures and eventual sale to eligible participants. Since the inception of home sales in 2004, our nonprofit partners have completed 49 single family homes of which 44 have been sold. Seventy-three additional units are scheduled for development in the next 5 years.

The Homeownership Initiative is funded by local and federal program dollars and is directed by the Homeownership Initiative Commission (HIC), a nine-member municipal body appointed by the Mayor with the approval of the City Council. The HIC meets on the first Thursday of each month.

### **The City's nonprofit developers are:**

- The Charleston Bank Consortium
- The Episcopal Diocese Community Housing Development Organization (CHDO)
- Humanities Foundation
- P.A.S.T.O.R.S., Inc.
- The Charleston Area Community Development Corporation (CDC)

### **The City's Homebuyer Education Providers are:**

- The Charleston Area Community Development Corporation (CDC)
- The Homeownership Resource Center, a division of Family Services, Inc.
- The Charleston Trident Urban League



## **Employer-Assisted Housing Program**

The City of Charleston Employer Assisted Housing Program (EAH) is an employer-provided benefit that assists City employees with the first-time purchase of a home. The City's EAH program was designed to bolster efforts to revitalize targeted neighborhoods and provide more affordable homeownership opportunities throughout the City, while making the dream of homeownership a reality for employees of the City and local businesses. The EAH program is a partnership between the City of Charleston, local lenders and employees.

### **Financial Benefit:**

- One-time only \$10,000, zero percent (0%) interest loan to be used for downpayment on a qualifying home purchase. The loan is repaid over a 10-year period through payroll deduction;
- A grant of up to \$2,000 will be provided to assist with closing costs;
- Employees may utilize the loan, the grant or both.

### **Property Eligibility and Restrictions:**

- Property must be owned, developed or sponsored by the City of Charleston;
- Property must be the primary residence of the applicant;
- A Note and Mortgage, signed by the applicant at closing, will be used to secure the City's \$10,000 interest in the property;
- The City of Charleston Single Family Affordable Housing Restrictive Covenants will be applicable to the property;
- Properties are sold on a "first come, first serve" basis to eligible applicants.

### **Employee Eligibility:**

- Must be a City of Charleston full-time employee for not less than two (2) years;
- Must have received satisfactory job performance rating during term of employment;
- Must meet income eligibility requirements as published annually by U.S. Department of Housing & Urban Development (HUD);
- Must have a good credit rating and demonstrated ability to repay all financial obligations;
- Must be able to qualify for a conventional, FHA, or VA mortgage with acceptable underwriting criteria;
- Provide an executed contract for an eligible property;
- Submit an EAH application to the Department of Housing & Community Development;
- Complete a homeownership and/or credit counseling workshop;
- Must agree to all terms and conditions of the City of Charleston EAH program;
- Only 1 EAH benefit per household;
- Where two equally qualified applicants have an interest in the same property, selection will be made by lottery.

## **Enston Home Funds**

The Trustees of the Enston Home have generously agreed to use the interest generated on the sale of the Enston Homes to establish the Enston Home Fund. These funds are awarded to the Coalition on Housing & Homelessness to be used to benefit elderly individuals and their families. For the purposes of this program, the Enston Home Trustees stipulates that elderly is defined as 45 years of age or older. Enston Home funds may be used for rental subsidies, moving expenses, construction and rehabilitation costs, predevelopment costs, transitional housing and utility assistance associated with the creation of affordable housing. Assistance can be provided in the tri-county area including Berkeley, Charleston and Dorchester counties.

Enston Home Funds are administered by the City of Charleston's Department of Housing and Community Development. Funds are maintained in an interest-bearing account with the City of Charleston. Interest generated is used to provide additional award monies.

Through the award of Enston Home funds, non profit organizations throughout the community are providing direct services and assistance to citizens during financially challenging times and assist in mitigating homelessness and help to address other urgent needs.

## **Subrecipient Funding**

The City's Department of Housing and Community Development annually awards CDBG, HOME and HOPWA funding to organizations that provide services to citizens in the City of Charleston. HOPWA funding is used to provide services through the Metropolitan Statistical Area or MSA and throughout the Tri-county area. The organizations offer a range of services to aid in the mission of the Department. Services include but are not limited to providing rent, utility and mortgage assistance, after-school youth programs, fair housing workshops, homeowner rehabilitation, and housing construction. Below is the list of organizations that have been awarded funding to support their programs.

- Boys and Girls Club of the Trident Area (Youth after-school programs)
- Charleston Area Community Development Corporation (Financial literacy and homeownership)
- Charleston Bank Consortium (Downpayment assistance)
- Charleston Development Academy (Charter school activities)
- Charleston Trident Urban League (Fair housing and homeownership)
- Crisis Ministries (Services for homeless persons)
- Humanities Foundation (Rent, utility and mortgage assistance)
- HomeWorks Inc. (Homeowner rehabilitation and repair)
- James Bay Partners (Affordable housing rehabilitation and construction)
- Lowcountry AIDS Services (Housing services for persons with HIV/AIDS)
- Lowcountry Housing Trust (Downpayment assistance)
- P.A.S.T.O.R.S. (Affordable housing development)
- Roper Saint Francis Foundation (Housing services for persons with HIV/AIDS)
- Sea Island Habitat for Humanity (Homeownership)

## **Housing Rehabilitation Program**

The Housing Rehabilitation Program encompasses three separate programs to aid homeowners with the treatment of repair and maintenance of their homes. Both CDBG and HOME funds are utilized to perform the needed repairs to homes.

### **I. Substantial Rehabilitation Program**

Homeowners selected for substantial rehabilitation must own and have clear title to their property. The home is completely renovated with all code violations eliminated. The owner provides a minimum of 20% of the cost of renovations. Other program details:

- Owners are provided temporary relocation during construction
- Architect provides plans and specifications
- Property must be located in Community Development or Neighborhood Revitalization Strategy Area

### **II. Rental Rehabilitation Program**

Rehabilitation assistance is provided to rental property owners who commit to lease their property to low-moderate income tenants (persons earning sixty-percent and below AMI) for a 20-year term. Other program details:

- Subsidy is provided to property owners in the amount of \$10,000.00 per unit
- Owner is provided review of plans for approval
- Plans and specifications are stamped by architect
- Copy of cost estimate to complete work is provided
- Copy of commitment letter from lender to provide funding for project is provided

### **III. Roof Replacement**

Roof replacements are provided for homeowners who are at 60% and below the Area Median Income that own and have clear title to their homes. Homeowners are provided deferred loans to pay for the cost of the roof replacement which is forgiven after 10 years. Roof replacements are provided throughout the City of Charleston.





## **Lead-based Paint Hazard Control Program**

The Lead-based Paint Based Hazard Control Program is funded through a \$3 million federal grant awarded to the City of Charleston in April 2009. The City has successfully managed two previous lead grants that were similar to the current one. The primary goal of the program is to eliminate childhood lead poisoning by addressing the problem at its source; in residential homes and apartments where pregnant women and children under six years of age are directly impacted.

Utilizing a comprehensive recruiting and outreach plan designed to enroll applicants who meet federal income guidelines, program-eligibility is determined by the following factors:

- The homes is occupied or frequently visited by a pregnant woman or child under six years old
- The total household income does not exceed 80% of the Charleston Area Median Income (Income is not to exceed \$48,250 for a family of four)
- The home is built before 1978
- The home is an owner-occupied or rental property located within City limits

City residents who meet these requirements may be eligible for a range of services, including:

- Testing to determine the presence of lead-based paint hazards
- Lead dust cleaning, if hazards are found
- Interior and/or exterior painting
- Window, carpet and/or door replacement

These services are performed by EPA-certified consultants who determine the extent of lead-based paint hazards in the home. Contractors awarded construction projects are also EPA-certified.

Additional goals of the Lead-based Paint Hazard Control Program are to educate the community about the dangers of lead-based paint and to provide certification for contractors in proper handling and removal of lead-based paint during construction activities.

As of December 30, 2009, 177 residential units have been made lead-safe.



## **Renewal Community Programs**

The City of Charleston received its Renewal Community (RC) designation in 2002 as part of a joint effort between the City of Charleston and other local governments. The Renewal Community was sought to enhance the community and economic activity in some of the City's most challenging communities. Geographically the Renewal Community extends from Calhoun Street north to Remount Road and I-526. It is comprised of 31 neighborhoods and 18 contiguous census tracts. Previously, the RC boundary extended to Cosgrove Avenue in North Charleston and included 19 neighborhoods and 11 contiguous census tracts. According to the 2000 Census, 43,724 persons lived in the Renewal Community. Various programs have been introduced to serve the Renewal Community and its residents.

### **Greater Charleston Empowerment Corporation (GCEC)**

The Greater Charleston Empowerment Corporation (GCEC) was founded in 1994 as the Enterprise Community Advisory Council. The GCEC is now a 501(c)(3) organization that serves as a liaison between business owners, government and neighborhoods and provides financial and educational resources to residents within the Renewal Community. The GCEC also awards annual scholarships to RC students to further their education after completing high school.

### **Renewal Community Tax Credits and Deductions**

The City of Charleston is committed to revitalizing its retail and commercial districts throughout the peninsula and parts of North Charleston. Businesses locating to or hiring RC residents have the opportunity to pursue tax credits or deductions. If a business is located within one of the eighteen original (18) Renewal Community census tracts, it may be eligible to receive RC Employment Credits. Businesses can take an annual tax credit of up to \$1,500 for each employee who lives and works for the business in the RC.

### **Financial Education Program**

The Financial Education program consists of a series of modules that focus on financial enrichment. It provides Renewal Community residents with the knowledge and tools that will lead to financial stability and success, it also targets individuals and families in the Renewal Community who do not have an active checking or savings account to assist them in obtaining an active account.

### **Heirs' Property Workshops**

The Heirs Property Program assists residents with maintaining ownership of their property in cases where there are multiple owners or the property is in the name of someone who has died. The workshops are provided for the purpose of teaching residents the proper way to probate and how to handle tax issues on heirs' property. The sessions also provide information on the various types of deeds and how to obtain financing to repair or renovate heirs' property. The workshops are presented by attorneys that specialize in heirs' property issues.

### **Renewal Community Partners**

Charleston Bank Consortium  
Charleston Citywide Local Dev. Corporation  
Charleston Trident Urban League  
City of North Charleston  
City of Charleston  
Magnolia Development Foundation  
MUSC School of Nursing

Charleston County Library  
Charleston County School District  
Rhodia Charleston, Inc.  
Statewide Minority Business Development Center  
Weed and Seed Program

**DEPARTMENT of HOUSING and COMMUNITY DEVELOPMENT  
ORGANIZATIONAL CHART**

Department Director-Geona Shaw Johnson

Deputy Director-Vacant

Departmental Secretary  
Ann Davis

Renewal Community Manager  
Anthony Moore Sr.

Housing Development Officer  
Florence Peters

Community Development Coordinator  
Andrea Jones

Construction Program Manager  
Ron Patchen

Rehabilitation Program  
Manager- Eddie Bines

Lead Grant Administrator  
Phyllis Young

Construction Project Manager  
Michael Kiefer

Construction Project Manager  
Brian Herndon

Administrative Specialist  
Karen Quiroz-Williams

Housing Finance Coordinator  
Shaniese Snype

Administrative Specialist  
Lisa Fleming

Outreach Coordinator  
Kim Gailliard